Re: Republic of Congo: Support to Economic Diversification Project Credit No. 4846-CG - Amendment to the Financing Agreement

Honorable Minister:

We refer to the Financing Agreement, dated February 3, 2011 between the Republic of Congo and the International Development Association ("Association") for the above-referenced Project, as amended and restated (the "Agreement"). We also refer to your letter dated April 3, 2017, requesting an amendment to some provisions of the Agreement.

We are pleased to inform you that the Association concurs with your request and hereby amend the Agreement as follows:

1. Part B: 2(b) of Schedule 1 is revised to read as follows:

"(b) Design and implementation of a business plan competition ("Business Plan Competition") with a view to promoting entrepreneurship in priority value chains."

2. Section I.C. of Schedule 2 is deleted, therefore:

(i) Section I.D of Schedule 2 is renumbered Section I.C as follows:

"C. TA Subprojects under Part B.2 (a) of the Project; Matching Grants"

(ii) Section I.E of Schedule 2 is renumbered Section I.D as follows:

"D. Anti-Corruption"

(iii) Section I.F of Schedule 2 is renumbered Section I.E as follows:

"E. Project Counterpart Funds"

3. The table in Section I.F.2. is deleted and replaced with the following:
3. The table in Section I.F.2. is deleted and replaced with the following:

<table>
<thead>
<tr>
<th>Amount (XAF)</th>
<th>Amount (USD)</th>
<th>Conversion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>749,996,433</td>
<td>1,608,255</td>
<td>7/13/2011</td>
</tr>
<tr>
<td>1,100,000,000</td>
<td>2,105,059</td>
<td>8/23/2012</td>
</tr>
<tr>
<td>820,000,000</td>
<td>1,707,420</td>
<td>10/31/2013</td>
</tr>
<tr>
<td>2,669,996,433</td>
<td>5,420,734</td>
<td></td>
</tr>
</tbody>
</table>

4. The table in Section IV. A.2. to Schedule 2 is deleted and replaced with the one in Annex 1 to this letter:

5. Section I to the Appendix is deleted and replaced with the one in Annex 2 to this letter.

All other provisions of the Agreement, except as herein amended, shall remain in full force and effect.

Please indicate your agreement with the foregoing amendment by signing and dating this letter and returning it to us, while keeping one original for your records. This amendment will become effective as of the date of countersignature of this letter.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Djibrilla A. Issa
Country Manager for the Republic of Congo
Africa Region

AGREED:
REPUBLIC OF CONGO
By: 
Name: Calcine NGANONGO
Title: MINISTRE DES FINANCES
Date: 23, 2017

Annexes
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Goods, services, Training, and Operating Costs for Parts A, B, C and D of the Project (<em>Pro memoria</em>)</td>
<td>2,479,464</td>
<td>50%</td>
</tr>
<tr>
<td>2) Goods and services required for Sub-projects under Matching Grants included in Part B.2 (a) of the Project (<em>Pro memoria</em>)</td>
<td>896,949</td>
<td>50% of amounts disbursed by the Recipient under the Matching Grant</td>
</tr>
<tr>
<td>3) Goods and services for Part C.1 of the Project (<em>Pro memoria</em>)</td>
<td>30,742</td>
<td>50%</td>
</tr>
<tr>
<td>4) Goods, Services, Training and Operating Costs for Part B.2 (b) of the Project</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>5) Refund of Preparation Advance</td>
<td>32,749</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>6) Unallocated</td>
<td>5,096</td>
<td>100%</td>
</tr>
<tr>
<td>7) Goods, services, Training, and Operating Costs for the Project except for Part B.2 (a)</td>
<td>2,255,000</td>
<td>100%</td>
</tr>
<tr>
<td>8) Matching Grants under Part B.2 (a) of the Project</td>
<td>700,000</td>
<td>100% of amounts disbursed by the Recipient under the Matching Grant</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>6,400,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
Annex 2

"Section I. Definitions

1. "Agreed Annual Work Plan" means the annual work plan agreed with the Association in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.

2. "Anti-Corruption Guidelines" means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 with the modifications set forth in Section II of this Appendix.

3. "Beneficiary" means a legal entity to which the Recipient has made or proposes to make a Matching Grant for a TA Subproject in accordance with the provisions of this Agreement, and “Beneficiaries” means, collectively, two or more such entities.

4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

5. "CFA Franc" means the franc of the Central Africa Economic and Monetary Community (CEMAC), whose common central bank is the Bank of Central African States (BEAC).

6. "CFCO" means the Recipient’s railway company, known as Chemin de Fer Congo Océan, established pursuant to the CF CO Legislation and operating under the laws of the Recipient.

7. "CFCO Legislation" means the Recipient’s Ordonnance No. 3-2000 (Ordonnance portant création du chemin de fer congo-ocean) dated February 16, 2000, pursuant to which CF CO was established as a public enterprise with legal personality, the Recipient’s Decree No. 15-2000 dated February 29, 2000 approving and annexing CF CO’s statutes (Decret portant approbation des statuts du chemin de fer congo-ocean), and CF CO’s Statutes annexed to such Decree, as the same may be amended from time to time.


9. "ESC" means the enterprise support center, known as “Maison de l’Entreprise Congo” established under Part B.1 (a) of the Project.

10. "Fiscal Year" and "FY" each means a fiscal year of the Recipient, commencing January 1 and ending December 31.


12. "HLCPPD" means the high-level council for public-private dialogue, known as “Haut Conseil du Dialogue Public-Privé” established and maintained by the Recipient under Part A of the Project, and any successor thereto.

14. "Matching Grant" means a grant made or proposed to be made by the Recipient to a Beneficiary in part out of the proceeds of the Financing for a TA Subproject in accordance with the provisions of this Agreement.

15. "Matching Grant Agreement" means in respect of each Matching Grant, the agreement between the Recipient and a Beneficiary providing for said Matching Grant.

16. "Matching Grants Management Team" means the team referred to in Section I.C.4 of Schedule 2 to this Agreement.

17. "Operating Costs" means the incremental expenses incurred on account of Project implementation, consisting of reasonable expenditures for office supplies, vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding salaries of officials of the HLCPPD and other officials of the Recipient’s civil service).

18. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and on behalf of the Recipient on October 20, 2010.


20. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated May 30, 2014 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. "Project Coordination Unit" or "PCU" means the Recipient’s unit referred to in Section I.A.2 of Schedule 2 to this Agreement.

22. "Project Counterpart Funds Account" means the Recipient’s account referred to in Section I.E of Schedule 2 to this Agreement.

23. "Project Implementation Manual" or "PIM" means the Recipient’s manual referred to in Section J.B.1 of Schedule 2 to this Agreement.

24. "Project Steering Committee" or "PSC" means the Recipient’s committee referred to in Section I.A.1 of Schedule 2 to this Agreement.

25. "SME" means small and micro enterprises.

26. "TA Subproject" means a specific development project to be carried out by a Beneficiary under Part B.2 (a) of the Project and to be financed out of the proceeds of a Matching Grant.

27. "Training" means the reasonable costs associated with training and workshop participation under the Project, consisting of travel and subsistence costs for training participants, costs
associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course or workshop preparation and implementation."